



## State of Utah

### Department of Environmental Quality

Dianne R. Nielson, Ph.D.  
*Executive Director*

DIVISION OF DRINKING WATER  
Kevin W. Brown, P.E.  
*Director*

**Drinking Water Board**  
Dale Pierson, *Chair*  
Anne Erickson, Ed.D., *Vice-Chair*  
Myron Bateman  
Jay Franson, P.E.  
Laurie McNeill, Ph.D.  
Nancy Melich  
Dianne R. Nielson, Ph.D.  
Charlie Roberts  
Petra Rust  
Ron Thompson  
Chris Webb  
Kevin W. Brown, P.E.  
*Executive Secretary*

JON M. HUNTSMAN, JR.  
*Governor*

GARY HERBERT  
*Lieutenant Governor*

### MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON MARCH 4, 2005 IN ST. GEORGE, UTAH

#### Board Members Present

Dale Pierson, Chairman  
Anne Erickson, Vice Chairman  
Myron Bateman  
Jay Franson  
Dianne Nielson  
Charlie Roberts  
Petra Rust  
Ron Thompson

#### Board Members Excused

Laurie McNeill  
Nancy Melich  
Chris Web

#### Staff

Kevin Brown  
Ken Wilde  
Rich Peterson  
Ying Ying Macauley  
Tim Pine  
Kate Johnson  
Linda Matulich

#### Guests

Darin Robinson, Jones & DeMille  
Scott Wilson, Central Iron CWCD  
Lenza Wilson, Escalante  
Erick Lassen, Glen Canyon SSD  
Colin Korpi, Angell Springs  
Ryan Tolbot, Meadow Town  
Erick Brinkerhoff, Glendale  
Eldon Schmutz, Central Iron CWCD

#### Guests Continued

Scott Hacking, District Engineer  
Jason Burningham, St. George City  
Herb Basson, Woodland & Kolob Acres  
Frank Keele, Woodland & Kolob Acres  
Neil Forster, West Millard WA  
Idra Barton, Park West  
Mack Gibson, Woodland & Kolob Acres  
Sheridan Hansen, Central Iron CWCD  
Russ Donoghue, RWA of Utah  
Earl Boyer, Park West WA  
Carol Lamb, Orderville Town  
Verl Sawyer, Orderville Town  
Guy Markus, Kennecott Utah Copper  
Reed Bodell, Kennecott Utah Copper  
Lynn Sagers, Rural Development  
Clyde Watkins, RWA of Utah  
L.R. Milanta, Rural Development  
Tony Randall, City of Enterprise  
Michael Georgeson, Franson Noble  
John Chartier, Sunrise Engineering  
Lynn Anderson, Snowville Water Co.  
Brian Deeter, JUB Engineers  
Norman Grimshaw, Enoch City  
Barry Barnum, St. George City  
Jamie Carpenter, St. George City  
Vern Steel, RWA of Utah  
Rod Mills, Nolte Associates  
Curtis Ludrigson, RWA of Utah  
Tim Beaver, Angell Springs  
LaRene Fuller, Woodland & Kolob Acres  
Wayne Thomas, Alpha Engineering  
Reed Scow, Angell Springs  
Lance Houser, Logan City  
Lynn Wall, Wall Engineering

## ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in St. George, Utah with Chairman Pierson presiding. The meeting was called to order at 1:30 pm.

Chairman Pierson mentioned the Town of Eureka won the “Best Water in Utah Award” this year.

Chairman Pierson reported the conference this year was excellent. Chairman Pierson, on behalf of the Board, thanked the Rural Water Association of Utah for the fantastic conference. There were 1,541 in attendance at the conference this year, which included the exhibitors. The Utah Rural Water Association annual conference is the fourth largest conference held in the United States.

Chairman Pierson said Russ Donoghue, Executive Director of the Rural Water Association, would be retiring in December 2005. Chairman Pierson invited everyone to wish him their best while he is still with the Association.

Chairman Pierson thanked Ron Thompson for the tour of the flood-damaged area for the Board this morning.

## ITEM 2 – ROLL CALL

Chairman Pierson asked Kevin Brown to call roll of the Board members. The roll call showed there were 7 members present at the time.

## ITEM 3 – INTRODUCTIONS

Chairman Pierson welcomed everyone and asked the guests to introduce themselves.

## ITEM 4 - APPROVAL OF MINUTES – JANUARY 18, 2005

Chairman Pierson stated a motion to approve the January 18, 2005 minutes would be in order.

**Jay Franson moved to approve the January 18, 2005 minutes with the following two changes. On page 4 – under 3) a) Project Priority List, the second paragraph:**

- 1) **The second sentence reads as: The line has approximately 1,000-gpm during peak usage in the springtime.**

**Change the sentence to read: The line is losing approximately 1,000-gpm during peak usage in the springtime.**

- 2) **The fourth sentence reads as: At the peak flow, the concentration of chlorine will become diluted.**

**Change the sentence to read: At the peak flow, the concentration of chlorine is diluted and is non-detectable at this point.**

**Charlie Roberts seconded.**

**UNANIMOUS  
(Unanimous)**

**ITEM 5 – SRF CONSERVATION COMMITTEE REPORT**

**1) Status Report**

Ken Wilde reported the Board has \$3,290,000 available in the State SRF program; \$739,000 is in the hardship grant fund and \$2.1 million is in the loan fund.

Ken Wilde reported the Board has \$10,226,000 in the Federal SRF program; \$6,000,000 is coming from the repayments. The \$10,226,000 has not been committed yet. The total after loan closings is \$16,267,424, which doesn't include the interest. The table shows \$12,896,500 in authorized funding, leaving \$3,370,924 available in the account.

Dianne Nielson joined the meeting.

**2) Review of the 2005 DWSRF Capitalization Grant Application and IUP**

Ken Wilde reported staff prepared a Capitalization Grant Application, including the Intended Use Plan (IUP), for the 2005 EPA funding program. Page 10 - Table 2 shows the match requests of: 81% in the loan fund, 4% in the Administrative fund, 10% in the Program Management fund, 2% in the Small Systems Technical Assistance fund, and 3% in the Local Assistance and Other State Programs.

**Myron Bateman moved the Board authorize staff to submit the 2005 DWSRF Capital Grant Application and IUP to EPA.**

**Petra Rust seconded.**

**CARRIED  
(Unanimous)**

**3) State SRF Applications**

**a) Angell Springs Special Service District**

Rich Peterson reported Angell Springs Special Service District (SSD) is doing a project to construct a new storage tank. Angell Springs SSD qualifies for a hardship grant of 48-49%, which comes out to a \$170,000 grant and an \$180,000 loan at 3.33% for 20 years.

The SRF/Conservation Committee is recommending a 0% equivalent package of a \$101,000 grant and a \$249,000 loan at 0% for 20 years. The water rate would increase by \$22.

Angell Springs SSD representatives addressed the Board.

Discussion followed.

**Myron Bateman moved the Board authorize the SRF/Conservation Committee's recommendation of a \$101,000 grant and a \$249,000 loan at 0% to be repaid over 20 years with the condition that they resolve the appropriate issues on their compliance report.**

**Ron Thompson seconded.**

**CARRIED  
(Unanimous)**

b) Meadow Town

Rich Peterson reported the Town of Meadow would like to prepare a Master Plan and a Preliminary Engineering Report. The cost for the plan and the report would cost \$15,000. CIB authorized a \$7,500 grant to Meadow. The SRF/Conservation Committee is recommending a planning loan of \$7,500 at 0% to be repaid over 5 years with the condition they resolve the appropriate issues on their compliance report and staff pre-approve the scope of work. The loan could be paid back in 5 annual payments, one balloon payment or with the project funding if Meadow needs further assistance from the Board.

Meadow Town representatives addressed the Board.

Discussion followed.

**Ron Thompson moved the Board authorize a planning loan of \$7,500 at 0% to be repaid over 5 payments on the condition that they resolve the appropriate issues on their compliance report and have staff pre-approve the scope of work. The loan can be paid back in 5 annual payments, one balloon payment, or in the project funding if Meadow needs further assistance from the Board.**

**Myron Bateman seconded.**

**CARRIED  
(Unanimous)**

c) Escalante City

Rich Peterson reported Escalante would like to prepare a Master Plan and a Preliminary Engineering Report, estimated at costing \$10,000. Escalante's 2003 MAGI is 78%. Escalante does not qualify for a hardship grant. There is a compliance report, a repayment schedule, and a financial plan analysis in the packet.

Escalante City representatives addressed the Board.

Discussion followed.

**Myron Bateman moved the Board authorize a planning grant of \$10,000 on the condition that they resolve the appropriate issues on their compliance report and staff pre-approves the scope of work.**

Discussion on motion.

**Dale Pierson seconded.**

**CARRIED**

**Seven voted yes. Jay Franson opposed.**

d) Glen Canyon Special Service District

Rich Peterson reported Glen Canyon Special Service District (SSD) serves residents in Big Water. Their project will include a \$10,000 master plan and a preliminary engineering report. Glen Canyon SSD does qualify for a hardship grant. The SRF/Conservation Committee is recommending the Board authorize a planning grant, including a preliminary engineering report, of \$10,000 on the condition that they resolve the appropriate issues on their compliance report and staff pre-approves the scope of work.

Dale Pierson stepped out.

Glen Canyon SSD representatives addressed the Board.

Discussion followed.

**Petra Rust moved the Board authorize the SRF/Conservation Committee's recommendation of a planning grant, including a preliminary engineering report, of \$10,000 on the condition that they resolve the appropriate issues on their compliance report and staff pre-approves the scope of work.**

**Ron Thompson seconded.**

**CARRIED  
(Unanimous)**

**Seven Board members were present at the time of voting.**

e) Glendale Town

Rich Peterson reported Glendale Town would like to complete a water study project. The Mayor talked with Rich on making a change with in their request. The new recommendation is for a planning grant of \$10,000.

Dale Pierson returned.

Glendale Town representatives addressed the Board.

Discussion followed.

**Myron Bateman moved the Board authorize a planning grant in the amount of \$10,000 on the condition that they resolve the appropriate issues on their compliance report and staff pre-approves the scope of work.**

**Charlie Roberts seconded.**

**CARRIED**

**Seven voted yes. Jay Franson opposed.**

4) Federal SRF Applications

a) Project Priority List

Rich Peterson reported Central Iron County Water Conservancy District has been added to the Project Priority list.

**Dale Pierson moved the Board approve the updated Project Priority List.**

**Myron Bateman seconded.**

**CARRIED  
(Unanimous)**

b) Orderville Town

Ken Wilde reported the Town of Orderville sustained damage during the flooding estimated at costing \$10,743.17. The local utility has reimbursed the community \$1,000. FEMA may cover 75% of the repairs. Staff didn't have all of the information when the SRF/Conservation Committee discussed Orderville's request.

Orderville Town representatives addressed the Board.

Discussion followed.

**Myron Bateman moved the Board authorize a contribution of \$2,436 to the Town of Orderville, and allow the Division Director the discretion to work with FEMA to assure that the Board's contribution won't be held against the FEMA award.**

Discussion on motion.

**Ron Thompson seconded.**

**CARRIED  
(Unanimous)**

c) Enterprise City

Ying Ying Macauley reported Enterprise City serves almost 420 connections. The estimated cost to repair the flood damages to their water system is \$184,000. The SRF/Conservation Committee's recommendation is based on the assumption that FEMA will cover 75% of the costs. The remaining 25% cost for the repairs would be a \$46,000 loan at 0% up to 20 years from the Board.

Enterprise City's representative addressed the Board. He stated that because some work would be completed by others and were not damaged by the floods, some of the facilities were covered by the original estimate. The City has reduced their request to \$15,000 from the Board.

Discussion followed.

**Ron Thompson moved the Board authorize a contribution of \$15,000 to the City of Enterprise, and allow the Division Director the discretion to work with FEMA to assure that the Board's contribution won't be held against the FEMA award.**

Discussion on motion.

**Myron Bateman seconded.**

**CARRIED  
(Unanimous)**

d) Veyo Culinary Water

Ying Ying Macauley reported Veyo is requesting \$30,200 to repair their water system from the recent flooding. FEMA will not fund Veyo any money since part of the damage was caused by a flood in early winter 2004. The SRF/Conservation Committee is recommending a loan of \$15,000 at 0% for 20 years.

Veyo's representatives addressed the Board.

Discussion followed.

**Myron Bateman moved the Board authorize a loan of \$30,000 at 0% for 20 years.**

**Ron Thompson seconded.**

**CARRIED  
(Unanimous)**

e) St. George City

Ying Ying Macauley reported St. George City is planning on constructing a water treatment plant to remove arsenic from the Gunlock well. The estimated cost for the project is \$15,000,000. The city will contribute \$5,000,000. St. George City is requesting \$10,000,000 from the Board. The interest rate is 1.77% for a 20-year loan. Ying Ying reviewed the four options that are available.

St. George City's representative addressed the Board.

Discussion followed.

**Ron Thompson move the Board authorize a loan of \$6,000,000 at 1.77% for 20 years on the condition that they resolve the appropriate issues on their compliance report and that St. George City carefully monitor the technology, since progress is being made and to make sure they use a cost effective technology.**

**Charlie Roberts seconded.**

**CARRIED  
(Unanimous)**

Myron Bateman stepped out.

f) Snowville Water Company

Ying Ying Macauley reported Snowville serves 93 connections. Snowville would like to build a new well, a new storage tank, a transmission line, replace existing water lines, and install water meters. The cost of their project is estimated at \$1,173,000. Snowville will be able to contribute \$27,000. Snowville has secured funding from Rural Development and CDBG. Rural Development is contributing \$571,000. CDBG is contributing \$75,000. The SRF/Conservation Committee is requesting the Board authorize a loan of \$500,000 at 2.11% for 20 years with 20% principal forgiveness.

Snowville representatives addressed the Board.

Myron Bateman returned.

Dale Pierson stepped out.

Discussion followed.

**Jay Franson moved the Board authorize a loan of \$500,000 at 0% for 30 years with no principal forgiveness on the condition that Snowville resolve the appropriate issues on their compliance report and they receive positive review on their capacity assessment.**

Dale Pierson returned.

Discussion on motion.

**Petra Rust seconded.**

**CARRIED  
(Unanimous)**

g) Woodland & Kolob Acres

Ying Ying Macauley reported Woodland & Kolob Acres is a subdivision on Kolob Mountain. They have 93 connections. They have 2 small aging tanks. They have adequate water rights. They have some water rights that are tied up in an existing well that was drilled in the 1980's. The well caved in. The well was redrilled in 1998. The well is dry. The estimated cost of the project is \$296,700. Staff feels the estimate is too low. The SRF/Conservation Committee is recommending the Board authorize a loan of \$450,000 for 20 years at 3.63% with five conditions on the loan.

Ron Thompson declared a conflict of interest and won't vote.

Woodland and Kolob Acres representatives addressed the Board.

Discussion followed.



**Myron Bateman moved the Board authorize the SRF Conservation Committee's recommendation of a \$450,000 for 20 years at 3.63% with the following conditions: 1) Transfer of water rights from the District's currently dry well to the new County Water Conservancy District well at Kolob Reservoir; 2) Washington County Water Conservancy District obtain Division of Drinking Water's approval of the Kolob well design and construction; 3) By District Board Action, establish a water rate structure that will pay for debt service, will resolve the issues on the Compliance Report, and will establish a Capital Facilities Replacement Reserve Account with annual deposits to that fund of 10% of the system's annual operating budget, including debt service and depreciation, and continue that practice until the Bond is redeemed; 4) Clarify all project related costs for more accurate estimates of needed loan amount; 5) Correct all Physical Facilities deficiencies on the Compliance Report dated December 27, 2004; and also 6) Woodland & Kolob Acres approach the small communities around their water system and ask them to join their system.**

Discussion on motion.

**Charlie Roberts seconded.**

**CARRIED**

**Seven voted yes. Ron Thompson abstained.**

h) Central Iron County WCD

Rich Peterson reported the Central Iron County Water Conservation District (WCD) was formed in 1998. The Board approved a \$45,000 planning loan in December 2004 to Central Iron County WCD to complete a countywide water study on how they can consolidate several small water systems. Central Iron County WCD has a three-phase project totaling \$12.8 million.

Central Iron County WCD would like to start Phase 1, at a cost of \$6.3 million, which will be for the final design and construction of a 1 MG tank (including land acquisition), well house and pipeline. The acquisition of an existing agricultural well will be purchased with the property tax funds. Phase 1 will focus on the worst complying systems first. Rural Development is considering a \$3 million loan with the conditional the District shows they will be able to make the payments. Rural Developments loan would reduce the Drinking Water Board's loan down to \$3.3 million.

Phase 2 for \$3 million would be for final design, land acquisition and construction of a new well, another reservoir, and additional pipeline to be done between 2005 and 2008. Phase 3 for \$3.5 million would be for final design and construction of additional pipeline to be completed sometime before 2015.

The SRF Conservation Committee is recommending the Board authorize a \$3.345 million loan, including a planning loan of \$45,000, which would be rolled into the loan with 20% principal forgiveness at 2.46%, and funded from the Technical Assistance Fund for 20 years with five conditions on their loan.

Central Iron County WCD representatives addressed the Board.

Discussion followed.

**Ron Thompson moved the Board authorize a \$3.345 million loan at 0.25% for 20 years with the following conditions: 1) Rural Development funding of \$3 million this year for Phase 1; 2) Completion of the work funded by the \$45,000 Planning Loan (the Planning Loan balance will be rolled into the Design and Construction Loan); 3) Evidence of adequate cash flow projections based on firm commitments from developers for 2005 – 20010; 4) Increase rate structures to fund loan payments and encourage conservation; and 5) Comply with the requirements for New Water Systems, per Rule R309-352-5. He added a new condition that the County needs to pass an ordinance requiring design standards approved by the District for all new developments within the Central Iron County WCD's jurisdiction.**

**Charlie Roberts seconded.**

Discussion on motion.

**Myron Bateman amended the motion to include the 20% principal forgiveness of \$660,000 and a Technical Assistance Fee of 2.46%.**

**Ron Thompson accepted Myron Bateman's amendment as part of his motion.**

**CARRIED  
(Unanimous)**

i) Fountain Green City

Ying Ying Macauley reported the Board authorized a \$1,722,000 loan at 1.32% at the October 8, 2004 Board meeting. Staff received a letter on January 13, 2005 from Sunrise Engineering notifying them that Fountain Green City appreciated the Board's offer. After Fountain Green City reviewed their financial status, they decided to decline the loan offer.

**Charlie Roberts moved the Board deauthorize the loan of \$1,722,000 at 1.32% that was made on October 8, 2004 to Fountain Green City.**

**Ron Thompson seconded.**

**CARRIED  
(Unanimous)**

j) Logan City

Rich Peterson reported Logan City received a planning loan for a master plan, water conservation plan updates and an environmental assessment for their pipeline replacement at the January 18, 2005 Board meeting. Rich mentioned he talked with Lance Houser just before the Board meeting today. Logan City has a replacement fund now, which will add 4 points to their incentive. The replacement fund drops the interest rate down to 1.83%. Logan City's annual payment will now be \$242,000, replacing the \$246,869 amount in Option 3. Now the equivalent low interest rate of 0% principal forgiveness option will be used instead of the 8% option, thus bringing the interest rate down to 1.06%. This project will take more than a year to complete. Logan City could have an option to make this a 2-phase project with possible funding of \$4.3 million for the first phase. This would allow Logan City to come back for the remaining money next year.

Lance Houser, Logan City representative, addressed the Board.

Discussion followed.

**Ron Thompson moved the Board table the motion on Logan City.**

**Dianne Nielson seconded.**

**CARRIED  
(Unanimous)**

Myron Bateman and Anne Erickson left the meeting.

#### ITEM 6 – CORRECTION REGARDING PUBLIC COMMENT AND FIVE YEAR REVIEW

Kate Johnson mentioned she had some non-substantive changes to Rule R309-600 at the January 18, 2005 Board meeting. There was a discussion about the proposal and some questions on the public notice period. Kate clarified the questions the Board had at the last Board meeting.

**Jay Franson moved the Board authorize staff to continue proceeding with rulemaking.**

**Petra Rust seconded.**

**CARRIED  
(Unanimous)**

#### ITEM 7 – CHAIRMAN’S REPORT

a) Legislative Update (HB29, HB38, HB150, HB157, SB60, and SB204)

Chairman Pierson reported there are several pieces of legislation before the Legislature during the last session. House Bill 29, 38, 150, and 157 passed in the House. Senate Bill 60 passed. Senate Bill 204 on taking \$3,000,000 from the 1/16% sales tax died in the House.

Chairman Pierson mentioned Ken Bousfield wrote an article in the National Rural Water Association’s magazine. The article deals with the reauthorization of the Safe Drinking Water Act. Ken had some suggestions in the article on easing the burdens on small drinking water systems.

Chairman Pierson mentioned that the May 13, 2005 Board meeting will be Chris Webb and Nancy Melich’s last Board meeting.

#### ITEM 8 – DIRECTORS REPORT

a) Twenty Five (25) Drinking Water Systems of Interest

Kevin mentioned the Twenty-Five Drinking Water Systems of Interest list is in the packet.

b) Board/Staff Communication Improvements Discussion

Kevin asked the Board if staff's communication via e-mail is adequate.

The Board felt the communication efforts of staff are good.

c) Division Activities at the Rural Water Conference

Kevin reported quite a number of staff from the Division attended the Rural Water Association's annual conference this year. Staff does a lot of training at the conference. There were four presentations on Tuesday. There were some presentations on operator certification training on Wednesday. There were four presentations on Thursday. There were five presentations on Friday morning.

Seventy-one (71) operators signed up to take the operator certification exam on Friday. Staff completed 51 consumer confidence reports for water systems that are required to do consumer confidence reports. Staff handed out 235 monitoring reports, chlorine reports, and other material at the Division of Drinking Water's booth. Staff handed out over 600 updated CD's that contain the current rules and other information related to the Division's programs. An updated CD was given out to the Board members at the Board meeting.

Chairman Pierson mentioned the Rural Water Association is extremely appreciative of the hard work the Division staff do at the annual conference each year.

d) Staffing Update

Kevin mentioned since the January 18, 2005 Board meeting, Mark Foster left, and Svetlana Kopytkovskiy and Brian Harris joined the Division. Randy Taylor is the new District Engineer, for the Southwest District, in the St. George area. Randy Taylor replaced Wayne Thomas.

e) Board Volunteers for Mid March Conference Call on Rule Changes

Kevin asked the Board if they would be willing to serve on a Rules Committee with staff. Staff would love to receive any comments on several new rules and rule packages that will be coming out in the near future. There will be a mid-March conference call on the rule changes.

ITEM 9 – NEWS ARTICLES

The news articles are in the packet.

ITEM 10 – LETTERS

The letters are in the packet.

ITEM 11 – UPDATE

The update is in the packet.

ITEM 12 – NEXT BOARD MEETING

The next Drinking Water Board meeting is scheduled for May 13, 2005 at 168 North 1950 West, Room 101, Salt Lake City, Utah. There will be a tour of Herriman City's water facilities.

ITEM 13 – OTHER

No other business.

ITEM 14 – ADJOURN

Chairman Pierson stated a motion to adjourn the meeting was in order.

**Charlie Roberts moved to adjourn the Board meeting at 4:35 p.m.**

**The motion was seconded.**

**CARRIED**  
**(Unanimous)**

Linda Matulich  
Recording Secretary